

Trust Issues: The Effect of Trust(s) on Subjective Well-Being

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In this paper, we examine the association between trust and subjective well-being through time. Recently, plenty of cross-sectional research suggests consistent evidence of the positive effect of trust on subjective well-being. Trust may enable cooperation, maintain close relationships, foster social support, and perceived control over individuals' lives, all of which contribute to a sense of well-being. However, while such findings are well-established in prior cross-sectional research, the strength of the association between these though time is given less concern. Also, most research to date has neglected trust as a multidimensional phenomenon, composed of both different forms of interpersonal and institutional trust, both of which independently contribute to subjective well-being.

We analyze the European Social Survey data from 30 European societies, for the period between 2002 and 2018. We measured social trust using the composite of three eleven-point scales that measure generalized trust, perceived fairness, and perceived helpfulness. Institutional trust was measured using the composite of five eleven-point scales based on trust in five institutions (police, the legal system, parliament, politicians, and political parties). On the other side, our well-being proxy was self-rated overall life satisfaction, which is also measured on an eleven-point scale.

Linear regression models with country fixed and year fixed effects on life satisfaction were estimated. Findings show that both interpersonal and institutional trust are significant predictors of life satisfaction on average. Trust seems to be significant at the country level as well since the results show that levels of life satisfaction are generally more significant in countries with higher levels of trust. The results, thus, confirmed the importance of accounting for the overall climate of trust in order to understand well-being.

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